USAID Evaluation Special Study No. 80

Reconciling Ethnic Conflicts

A Case Study of Bosnia–Herzegovina and Croatia

by

Eliene Augenbraun
Karl Feld
Iain Guest
and Susan Merrill

Center for Development Information and Evaluation

U.S. Agency for International Development

March 1999

Contents

Introduction 1

1. Background 3
Ethnic Typologies 4
Methodology 6

2. Reactivating the Economy 9
Microenterprises and Small Businesses 9
Financial Intermediaries 10
Business Associations 11
Infrastructure 12

3. Supporting Alternative Media 15

4. Strengthening Civil Society 19
Impediments to Local NGOs 20

5. Lessons Learned 23

References 25

Introduction

THERE HAS BEEN considerable discussion about the role of ethnicity in modern intrastate conflicts but relatively little analysis about how peace-building efforts and specific approaches can bridge ethnic gaps. This Special Study examines how international donors are trying to help reconcile ethnic conflicts in Bosnia–Herzegovina and Croatia—two countries that suffered vicious ethnic conflict after declaring their independence from Yugoslavia earlier this decade. It describes the ethnic situations before the 1991–95 wars of Yugoslav secession and analyzes the approaches that have succeeded since in reaching across the current ethnic divisions, particularly at the community level.

A team sponsored by USAID's Center for Development Information and Evaluation (CDIE) undertook the study during the summer of 1997. It is important to note that this analysis, the data collected, and the findings are based on the situation as of that date. The team consisted of a senior research analyst from the U.S. Institute of Peace, an evaluation officer from CDIE, a media expert, and a political scientist. Before visiting the region, the team performed an extensive literature search and interviewed representatives of numerous donors, nongovernmental organizations, and U.S. and other private voluntary organizations active in Bosnia–Herzegovina and Croatia. During two visits to the region, the team conducted more than 150 interviews and met with numerous focus groups. Our report concentrates primarily on Bosnia–Herzegovina, where the majority of research was done.

We looked at three broad categories of projects and programs: private sector reactivation, alternative-media support, and civil society strengthening. We examined USAID's efforts and other donor projects in the region. Although we intended this as a more comprehensive review of various categories of activities, the large number and wide variety of activities compelled us to narrow our investigation to the three categories.

Throughout our interviews, one fact emerged clearly: *all ethnic factions in the communities of Bosnia–Herzegovina and Croatia have a strong and active desire for an enduring peace.*

The challenge for international policymakers is to use resources more effectively to strengthen and facilitate community efforts to bridge the ethnic and political gaps.

1

Background

MODERN BOSNIA has a varied and ethnically diverse history. An Indo-European people known as Illyrians lived in the region now called Bosnia–Herzegovina from 1000 B.C. An overpass between Western Europe and the Eastern Balkans, the area was overrun by Romans (A.D. 9), settled by Slavs (late 6th century), encroached upon by Hungarians (from the early 12th), overrun by Ottoman Turks (1463), occupied by Austria–Hungary (1878), and colored throughout the centuries by countless others.

Of Bosnia's prewar (1991) population, 44 percent could loosely be identified as ethnic Muslims (their ancestors converted from Catholicism during the Ottoman occupation), 31 percent as Serbs, 17 percent as Croats. There were also Albanians, Hungarians, and Romas. In the cities, intermarriage had begun to blur these distinctions. For example, many residents of Sarajevo, Mostar, and Tuzla considered themselves Yugoslavs before citing an ethnicity or religion. But groups of Croats and Serbs in the countryside kept closely to their clans.

In 1943 Josip Broz—a half-Croat, half-Slovene guerrilla and Communist—took the title of Marshal Tito and began to rule Yugoslavia. He broke from Stalin's Eastern bloc in 1948 and made Yugoslavia the most progressive Eastern European country. The West gave Tito easy credit, fortifying the nation against Soviet expansion.

Tito's Yugoslavia was a precarious balance of geography and ethnicity. Geographically, the country was divided into six territorial republics (Bosnia–Herzegovina, Croatia, Macedonia, Montenegro, Serbia, and Slovenia) and two autonomous regions (Kosovo and Vojvodina). Ethnically, the population consisted of six ethnic nationalities, or "constituent nations" (known as *narod*) and a series of lesser minorities (called *narodnost*).* Some say Tito suppressed, only temporarily, deep historic grievances among his subjects.

**Narod* refers to Slav nations having only Yugoslavia as their mother states. *Narodnost* means those national minorities such as Albanians, Hungarians, Italians, and Turks living in Yugoslavia but having a different mother state. Romas, or Gypsies, are included in this latter category (Hodson, Sekulić, and Massey 1994, 1,543).

Whatever the case, after Tito's death in 1980 the political and economic structures that sustained confederation began to unravel. Several factors were responsible: growing economic disintegration in some of the republics; the rise of nationalism, particularly in Serbia; and a corresponding fear of Serbian hegemony, notably in Croatia. Bosnia–Herzegovina (often simply called Bosnia) was particularly vulnerable because of its ethnic composition. As Bosnia itself began to feel the strain, nationalist Croats and Serbs looked outward to Croatia and Serbia, rather than joining together to build a new nation in Bosnia itself.

When war broke out, the international community responded with humanitarian aid but did not immediately intervene to curb the fighting. U.S. attempts at mediating a cease-fire and NATO air strikes on Bosnian Serb positions led to the December 1995 Dayton Peace Accords signed by Presidents Alija Izetbegović of Bosnia, Slobodan Milošević of Serbia, and Franjo Tudjman of Croatia, giving Bosnia–Herzegovina and Croatia greater international recognition and frameworks for new nation–states.

Nationalist Croats, Muslims, and Serbs still resist the reintegration of Bosnia–Herzegovina. Fewer than 30,000 refugees have returned to minority areas. As many as 1,870,000 Bosnians remain uprooted, with 1,400,000 of these refugees from Bosnia and 470,000 internally displaced as of 1998. Some feel it is futile to force Bosnia's different ethnic groups to live together and that the best path to peace is through partition. Others argue that partition has never worked historically and that is it is important to hold together the two "entities" created at Dayton (the Republika Srpska and the Bosniac–Croat Federation), which together form the Republic of Bosnia–Herzegovina. Croatia, now a separate nation with a clearer national identity than its neighbors, is faced with reintegration of former minority populations. Serbs, who were viewed as the aggressors in the war, have found it difficult to obtain even the most basic rights in certain regions, such as Eastern Slavonia, where they lived before.

Of the two entities that were to be part of a larger republic in Bosnia, one, the Republika Srpska, covered most of the territory Serbs held at war's end. The second, rooted in the Washington Agreement of March 1994, was the Federation of Bosnia–Herzegovina. Elections were held September 14–15, 1996, for prominent positions in the entities and the Republic of Bosnia–Herzegovina, with the nationalist parties taking the majority of votes. Municipal elections took place in the Republic of Bosnia–Herzegovina the following September 13–14. While individual nationalist parties lost ground, the three ruling parties overall won a clear majority, capturing 67 percent of the council seats—81 percent in the federation and 57 percent in Srpska—continuing the trend of rule by the strong nationalist parties.

Ethnic Typologies

Many have remarked that Bosnia–Herzegovina is an artificial nation–state, because its people share no unified sense of culture and history, no common ethnic identity, and no common attachment to a territorial homeland. This view attests

that Yugoslavia was held together principally because of the highly authoritarian leadership of Marshal Tito; when he died, ethnic factionalism and hatred rose to the surface and caused a rapid breakup of the country into its composite parts. Although this is a gripping scenario, we found it inaccurate. Before the war, there appeared to be a thriving pluralistic society that had strong social, political, and economic ties, though varying degrees of integration existed among the ethnic groups.

Despite recent attempts to define ethnic nationalities, ethnicity in the former Yugoslavia was never really clear-cut. It was the product not only of ethnoreligious lines and ethnic groupings but also of distinctions based on geographic and familial lineage. Before the war, there were ethnically mixed populations of individuals who identified with their nation–state rather than calling themselves Croat or Muslim. In many towns and villages, more than a quarter of all marriages were mixed. From a total population of 23 million in 1981, more than 3 million children were products of mixed marriages. A growing number of these children saw themselves as Yugoslav. In the census of that year, 15 percent of all Yugoslav youths identified themselves as Yugoslavs, with 36 percent preferring this designation to their ethnic minority. Before the war, groups identifying themselves as 23 different nationalities lived together in the central Bosnian town of Novi Travnik, and a large percentage of the marriages in Mostar (main city and former capital of Herzegovina) were ethnically mixed.

Yet the extent of diversity is not as important as the levels of integration. We found a host of typologies, each situational and geographically based. There were four basic typologies: 1) integrated and strongly multiethnic communities, such as the Bosnian town Tuzla; 2) geographically divided cities or towns, such as Pakrac in Croatia and Gornji Vakuf in Bosnia; 3) ethnically dominated cities, such as Livno* (by Bosnian Croats) and Banja Luka (government seat of the Republika Srpska); and 4) cantons or municipalities with a high degree of mixed marriages but with ethnically distinct populations. We found that cities, in general, were much more ethnically diverse than towns and villages. It was therefore critical to the study that we consider each project and its consequences within the appropriate local context.

The nature of this integration also was important. Ethnic groups cherished their own identity but recognized their neighbors' identities. Nevertheless, as in any integrated society, this type of ethnic view was inclusive and defined in terms of who belonged, rather than by who did not. Nevertheless, as Tone Bringa points out in her study of central Bosnian villages before the war, "Common interests brought the different ethnic groups together" (Bringa 1996).

Then there are groups, such as the Romas, who were accepted and enjoyed the formal status of minority (*narodnost*) in the former Yugoslavia. This faction now faces many new pressures, because it lives outside the main ethnic units in postwar Bosnia and Croatia.

In certain areas hardest hit by the war, there is little tolerance for pluralism. In western

*Livno's prewar Muslim population of 15,000 had dwindled to 3,000 by December 1995.

Herzegovina and eastern Bosnia, some nationalist Croats and Serbs still push for separation. Ironically, the prospects are far better for the growth of a strong multiethnic society in the Serb town of Banja Luka, where a varied civil society is starting to take root, than in the Bosnian Croat–dominated municipalities of central Bosnia such as Kiseljak and Busovača, which are linked more to Sarajevo than to the Croatian capital Zagreb.

The war and the nature of the conflict hardened ethnic tensions. After the initial shock of invasion and mass expulsion, the war turned into a myriad of local conflicts. In several towns (Goražde, Vitez, Bugojno, Novi Travnik) fighting was over individual arms factories. In many others, small groups were surrounded and besieged. One dramatic example occurred in the Muslim town of Vitez, where 1,200 Muslims spent the war encircled by a larger group of Croats. Some towns, such as Gornji Vakuf, Novi Travnik, and Mostar, divided sharply along geographic lines. Nor were community battles necessarily "interethnic." Some of the worst fighting in northwestern Herzegovina pitted the Muslims of Velika Kladuša against their Muslim neighbors in Bihać.

The Bosnia that emerged from this war sometimes resembles a mosaic of tiny city–states. Municipal boundaries parallel ethnic divisions. (For example, the Bosniacs [Muslims] of the town of Stari Vitez have been included in a Muslim municipality to which they are not physically connected.) Fragmentation poses a formidable obstacle to rebuilding Bosnia as a unitary state, and the task to return to interethnic cooperation is even more difficult when political boundaries reinforce ethnic divisions.

Methodology

In this light, the CDIE team attempted to gauge specific types of ethnic cooperation across three categories of projects and programs—private sector economic reactivation, alternative-media support, and civil society strengthening—and consider the specific geographic and ethnic situations described. We examined more than 150 projects throughout Bosnia and in selected towns and cities of Croatia. These are the three central questions we attempted to address:

- What types of projects did the international donor community undertake that were designed to promote ethnic cooperation? What were the obstacles inherent to ethnic cooperation that projects were designed to address?

- What have these interventions accomplished by way of promoting interethnic cooperation? What were the factors that affected their performance?

- What lessons can be drawn from these interventions?

To gauge success in ethnic reconciliation, we sought to define terms and identify criteria to indicate a degree of cooperation. We have used the term *reconstruction* to refer to interethnic tolerance and the acceptance of a live-and-let-live philosophy among the ethnic factions. Some more operational and at least visible indicators that we used to attempt to characterize *ethnic reconciliation* were

- Freedom from control by nationalistic political parties

- Freedom of trade and commerce
- Freedom of movement and communication across both local and interentity boundary lines
- Recognition of citizens' basic rights

These are not necessarily in any hierarchical or chronological order. Rather, in the towns we visited the indicators were present in varying degrees. That first indicator, freedom from nationalistic political parties, is hardly unique to Bosnia but is certainly germane within the recent historical context and political realities of the country. At present, at every level in Bosnian society it continues to be a major element in the ability of a city or community to achieve cooperation among ethnic groups.

2

Reactivating the Economy

INDUSTRY FUELED GROWTH in Yugoslavia's prewar economic structure. It generated 39 percent of revenue, employed 44 percent of the labor force, and accounted for 90 percent of exports. Although Yugoslavia's economy was far more open than its Eastern European neighbors', civil war interrupted its transition to a fully open economy. As a result, a legal and structural framework for a market economy was not in place when the war ended, and industrial production has been slow to revive. In Bosnia–Herzegovina, the lack of an industrial revival has meant continuing high unemployment. Thus, to a large extent, small-scale enterprises and family-owned businesses are the predominant source of income for many Bosnian families and communities.

One factor affecting reactivation is the federation-level legal, policy, and regulatory environment. For example, the Dayton Accords clearly establish free trade between the two constituent entities of the Republic of Bosnia–Herzegovina. However, in the federation, we found that nonstatutory, nonlegal, and political barriers restrict free movement of goods and severely confine business reactivation.

Microenterprises And Small Businesses

While the European Union, international financial institutions, and other bilateral donors have sought to establish the legal and regulatory structures needed to implement the Republic of Bosnia–Herzegovina's economic framework required by the Dayton Accords, many donors over the past year have tried to inject capital directly to the lowest income beneficiaries and to specific target groups through small-scale and microenterprise lending. These projects are designed primarily to provide jobs and income to groups most affected by the war: women, displaced persons, refugees. In reality, although the projects do generate income, they serve the purpose of a social safety net. They have received growing attention (and funding) as an attempt to move individuals from unemployment and humanitarian assistance to active employment and economic independence. The World Bank is the largest donor. It authorized $11.0 million for 1996–97, of which $6.7 million had already been spent by mid-1997. The U.S.–supported Bosnian Women's Initiative has provided $5.0

million. World Vision has provided 2.5 million deutsche marks (US$1.4 million). In addition, the Dutch and the Swedish International Development Agency have provided loans.

For microenterprise lending, loans were generally less than 10,000 deutsche marks (US$5,500), and repayment periods were 30–90 days. However, little was offered in ancillary training or services. At this level, projects had very little interethnic effect. For the most part, they were individual loans whose primary objective was to generate income for the beneficiary. According to the World Bank project manager, recipients under the program generally were family-owned enterprises or associations of longstanding neighbors. As such, in many cases they did not reach beyond familial patterns of employment. Although the loans primarily serve to provide a continuing source of income as a bridge to return to more normal employment patterns, they are also beginning to reinvigorate homes and cottage industries.

To some extent, small business lending has provided more opportunities to develop linkages between the ethnic factions. As one interviewee stated, "Commerce is ethnically blind; we buy and sell to whoever can pay." Small businesses can create background and forward linkages that do cross ethnic lines. In many cases local organizations familiar with the various producers in a region have been able to bring them together, despite ethnic differences. One example we found, the Travnik Business Center—a local nonprofit organization funded by the World Bank—has been instrumental in business development in the canton. On the strength mainly of relationships formed before the war, the center director was able to form a solidarity group consisting of Bosniacs, Bosnian Croats, and Bosnian Serbs. The group was integrated in terms of production: one individual might have raised chickens, the second harvested eggs, and the third produced egg cartons. In addition to creating a fully integrated process where all members of the group benefited, the cross-ethnic nature of the individuals helped business. Certain members, because of their ethnic identity, could purchase resources more efficiently and cheaply for the benefit of the group.

Another example was in the divided city of Gornji Vakuf/Uskoplje, where a women's group consisting of both Bosniacs and Bosnian Croats emerged after the war. Although the city is otherwise sharply divided, these women combined forces to provide supplementary income for their families. They started a cottage knitting industry. Today they have more than 30 members, receive marketing and design expertise from firms abroad, and have a contract with a Scandinavian company to market the products. The group leaders believe they have been able to expand because of continued donor support, because the project is financially beneficial, and because each codirector has been able to represent her ethnic faction and make decisions and compromises on behalf of her group. *One of the clearest conclusions we reached was that, in this and many other group businesses, the long-term sustainability of the project and the development of continued ethnic ties were clearly linked to the financial viability of the enterprise.*

Financial Intermediaries

One of the most valuable interventions by the donor community has come from organizations that serve as financial intermediaries. Because

of a strict business motivation, these organizations have helped forge links between various factions. Multiethnic organizations are starting to emerge.

In Osijek, in Croatia, USAID has funded a group called Opportunity International to establish a small lending organization, Stedno Kreditna Zadruga (commonly known by its acronym NOA), to provide loans in Eastern Slavonia, which is now under United Nations occupation. The region is populated principally by Croats but also by Serbian refugees struggling to return to their former homes. NOA is an example of a project designed to cross community and ethnic factions. Its board of directors is broadly based and consists of eight members, including such groups as Serbs, Croats, Muslims, Hungarians, and Albanians. Each individual has served as a contact from his or her community to the project. Loan officers are both Serb and Muslim. The organization appears to operate unhampered by government restriction, although it uses little publicity and keeps a low profile in its contacts with the banking and government officials in Osijek. The board's diversity has earned NOA the acceptance of many factions; thus, a wide variety of ethnic groups have become loan recipients.

Business Associations

Business and professional organizations, at both the national and municipal level, have worked well to develop interethnic linkages. In Bosnia, these associations were formed long before the war. For example, the Small and Medium Business Organization in Tuzla, a multiethnic city since its inception, has been in existence 22 years. Its 11,000 members attest to the organization's long-standing stature.

Through a grant to this organization, USAID's Office of Transition Initiatives (OTI) has helped develop an Association of Businessmen serving associations in both the Republika Srpska and the federation. This has created a consolidated board representing groups in Republika Srpska and Bosnia that provides a continuing relationship between the two associations.

A second approach to strengthen linkages between these groups was to provide new information technology to open channels of communication that the political leadership could not block. Until recently, placing phone calls between selected geographic areas in the Republika Srpska and Bosnia was impossible. OTI Tuzla helped provide a computer-based communications network between the Serb and Bosnian business associations. Despite the inability of many of these association members and their goods to travel between Serbia and Bosnia, the members were able to communicate. This led, frequently, to identification of common issues and development of marketing information.

The increased communication has led to joint action on some issues that affected the economic self-interest of both associations, such as high employee taxes, lack of available credit, and informal markets. The so-called Arizona market, in the Zone of Separation between the federation and the Republika Srpska, is controlled by neither entity and hence is not subject to tax, overhead, or regulation. Though widely viewed

as a black market, it technically is not illegal. But it does undercut local businesses on either side of the zone that pay taxes and are subject to other regulatory requirements prohibiting them from selling as cheaply as Arizona market merchants. Through a larger association that incorporated both entities' associations, the local businesses drafted a joint letter expressing their opinion and taking a mutual stand against the market, despite fear of reprisal on the Serb side.

Another aspect of intervention that helped develop linkages between the two associations is external training. Loan officers for NOA, World Vision, and the businessmen's associations cited it as a fundamental way to change biases and prejudices against former enemies. Taking individuals out of their national context and training them in a more neutral, less politically charged atmosphere frequently allowed them to change their biases against one another. Interviewees believe this was truer with individuals from divided cities or smaller towns or villages.

Infrastructure

Reconstruction of basic utilities and infrastructure is essential to economic reactivation and full integration of Bosnia–Herzegovina's two entities. Types of reconstruction that support business development include electricity, water, sewage systems, roads, and bridges. Equally important to interethnic cooperation is reconstruction or renovation of public sector infrastructure, such as schools and community centers. This can create spaces that are politically neutral and where both sides are able to meet without fear of political reprisal. Finally, public utility and infrastructure reconstruction can also support the return of refugees. Issues that determine whether reconstruction can occur and the bearing any improvement can have on a community include the political dynamics within the communities, the extent to which there is free movement within the community, and whether legal and human rights are respected.

USAID has been at the forefront of the effort to rebuild roads and important facilities in Bosnia. As of 1997, the Agency had committed $182 million for the Municipal Infrastructure Program, aimed at reestablishing critical installations and facilities on both sides of the interentity boundary line in the American zone.* Where possible, the program emphasizes cross-entity projects that foster cooperation between the federation and the Republika Srpska. It has two elements: The Municipal Infrastructure and the Community Infrastructure Rehabilitation Programs.

One subproject that finally overcame political opposition from political parties to provide community-level infrastructure that restores relations between the factions is the Šamac–Prud Electric Line. Under the Municipal Infrastructure Rehabilitation project, USAID restored a 10-kilowatt power line from the Serb municipality of Šamac across the interentity boundary line to power the village of Prud. Although Šamac does

*NATO has divided Bosnia–Herzegovina into three peacekeeping zones of administration—headed by the United States, the United Kingdom, and France.

not benefit directly from the power, agricultural production on the Croat side will help restore full productive capacity at the agricultural processing plant in Šamac. Yet this project encountered strong opposition from Serb leaders. However, because of the economic benefits that were to accrue to Šamac as a result of several other projects, Serb leaders' approval of the power line, which solidly benefited Prud, was finally achieved.

Other donors too have provided infrastructure to boost interethnic communication. One example is the reconstruction of Osijek's Central Market, which became the primary outlet for produce and goods from Eastern Slavonia. As a zone of occupation, it became part of Croatia in January 1998. In order for Eastern Slavonia to become more fully integrated, producers needed an outlet for their goods, particularly produce in Osijek. For villagers inside Eastern Slavonia who used to have to take their goods to Beli Manastir several hours away over bad roads, having the Osijek market has now tied them to the rest of Croatia. Several producers have taken advantage of their need to cross into Osijek to reach the market and are now selling to restaurants and grocery stores in the city.

One obstacle to economic infrastructure is lack of cost-effectiveness and sustainability. Although building a road or bridge may promote contact across ethnic lines, if the structure is not sustained, progress toward commercial and social relations will be disrupted. Ethnic enmity is still a major obstacle for reconstruction. A proposed water distribution for the small village of Memici, which had to come from a reservoir in the Serb municipality of Osmaci, was rejected at first because the Bosnians believed the water would be poisoned. Only upon discovering that a small village on the Bosnian side already used water from Osmaci did the Memici villagers green-light the project.

Destruction of bridges, roads, and electrical lines between towns has caused growing isolation of villages and communities. These communities in turn have had to rely increasingly on their respective governments for services. With governments in Sarajevo, Banja Luka, and Zagreb struggling to meet the requirements of Dayton, serve their populations, maintain ethnic unity, and finance public administration, they have been unable to meet the need for reconstruction and have had to rely on donors. Fortuitously, this has provided donors an opportunity to use resources constructively to identify linkages for returning normal relations between the factions. A bridge over the Bosna River—a construction project that was never agreed to by Republika Srpska leaders—is an excellent example of where a donor investment could have helped restore economic ties (faster transport between goods on the Bosnian side and the agriculture-processing plant on the Serb side), enable the Bosnians to pass into Šamac, and restore normal purchasing and employment patterns.

3

Supporting Alternative Media

THE MEDIA IN BOSNIA appear at first sight vibrant, healthy, and competitive. As of mid-1996, there were an estimated 145 print media, 92 radio stations, 29 television stations, and 6 news agencies. This represents an expansion from before the war, when there were but 54 radio stations, 4 TV stations, and a single news agency. Not surprisingly, there has been a major increase to more than 300 print media. The war was a watershed event for many media, especially broadcast stations. During the war, news media became more pervasive throughout the country—with TV as the most important media source for Bosnians of all backgrounds. When TV was unavailable, radio frequently became the source of news. Nationalistic political parties fought to control the vast majority of TV and other media outlets. Other, new media outlets, however, are passionately committed to creating alternative voices that can challenge the power of nationalistic stations. They have received enthusiastic support from the international community. USAID alone had allocated $6 million to 43 different media outlets by 1997.

The primary objective of most of these interventions has been a long-term strategy to develop alternative media and foster the free flow of balanced information. As part of this strategy, USAID's Office of Transition Initiatives began a series of short-term political transition grants to the media, designed to provide Bosnians with alternative information, to reinforce peace, and to "promote positive interethnic relations." Many of these efforts are short-term and designed to curb material that could damage ethnic cooperation.

Donors' short-term imperatives have included preventing interethnic hostilities, getting election information out to the media, and helping life appear more normal and less war-torn. To achieve these objectives, the donor community has funded a broad array of media. For example, the Organization for Security and Cooperation in Europe (OSCE) and NATO have escorted journalists across the interentity boundary line and organized workshops on both sides. The Office of Transition Initiatives has provided newsprint to moderate papers on either side of

the line. OTI helps media define and deliver messages that promote peace, tolerance, reintegration, and democracy. It also organizes public forums, debates, discussions, and petition drives. These small-scale efforts were designed to reach the greatest number of people and cut across the broadest geographic areas, attempting especially to develop alternative media where there had been none.

Donors funded several more costly, high-profile media initiatives aimed primarily at linking the two entities. The Office of the High Representative is responsible for overseeing the Open Broadcast Network, also known as TVIN, which depends on satellite technology and has developed programs for five prominent Bosnian television stations. The Swiss government funded the Free Elections Radio Network (FERN), which takes material from correspondents throughout Bosnia and transmits a mélange of liberal programming and modern music. OTI has funded a new newspaper insert, *Ogledalo* ("Mirror"), printed in the Cyrillic script for its Serb readership and Latin for readers in the federation. Like FERN, *Ogledalo* takes its material from correspondents rather than from the central news agency that is the source for most Bosnian media outlets. It is distributed free of charge inside three leading newspapers, two of which print in the Republika Srpska. These new media outlets have had varying degrees of success. Well aware of the donors' enthusiasm for "alternative" papers, many women's groups and youth centers have either proposed or started up journals, though several of these have failed.

Three features about donor-financed media programs are worth noting here. First, the media are expected to play a responsible social role in promoting interethnic harmony. Indeed, this is clearly a prime objective of donor grants and has become prescriptive to the media at times. When Muslim listeners began to recall their wartime torture by Croats on Radio Mostar, the station's director was warned by the European Union administrator of Mostar that this would heighten Muslim–Croat tensions. OSCE and Radio FERN proscribe ethnically loaded phrases, and FERN even refuses to play local music lest hateful messages slip through in the lyrics. Station managers who claim to avoid politics in their broadcasts admit that every piece of music, every subtle inflection of dialect, can become a powerful political statement when tensions are running high.

The second notable feature of some of these donor-supported media is their expense. TVIN cost $10.3 million to establish. Radio FERN cost 2.0 million deutsche marks (US$1.1 million). FERN pays its correspondents four times the average wage. *Ogledalo* pays 300 deutsche marks (US$165) for a single feature, well above the national average. The California-based Internews has used satellites to organize video conferences for participants in Banja Luka and Sarajevo, which would be difficult to replicate. However, many of the small-scale efforts are low-cost and highly successful.

Third, the issue is whether these efforts are sustainable in the long run by the local media. Challenges facing the media since the Dayton Accords are far more complex than those confronted during the war. They need to face issues of credibility, expertise, sustainability, community versus extracommunity approaches, and

the role of the media in a democratic society. There is no overall media coordinator under the Dayton peace plan, but the Organization for Security and Cooperation in Europe was given a mandate to organize elections, which it has used to monitor the media and screen out antisocial material. However, these efforts have been subordinate to OSCE's political mandate and linked to a short-term goal: holding elections.*

Assessing the success or failure of efforts to obtain a socially responsive, open media is difficult, because there are no agreed-upon indicators for achievement. One method of determining whether these media have been successful would be its audience. Radio FERN, which places great store in audience figures, told our team that 27 percent of the federation population listens to a FERN broadcast four times a week. Another poll disputed this. But even if correct, what such a figure would mean is not at all clear. Polls have little credibility in this difficult situation.

The Office of Transition Initiatives' small-grant program supported numerous media outlets. These short-term media grants allow OTI to fund many projects, spreading the risk in a high-risk environment. OTI hopes some grants will take root but fully expects others not to have the desired impact. However, it has provided channels for many media to publish a wide spectrum of opinion. It also has given many inexperienced journalists a chance to learn on the job.

Many media representatives we interviewed questioned whether this approach helped these new media outlets to be viewed as aligned with international donors. Alternative media must fight an uphill battle to win viewers, listeners, readers, and advertisers. And credibility is the key to their acceptance.

The high level of international donor involvement in funding alternative media clearly was a response to the immediate requirements of bridging the ethnic divisions in Bosnia. Yet that involvement needs also to include strategies and approaches for the long-term development of a democratic media, which is essential for the peace and openness of a society. A long-term strategy might include a variety of elements such as journalism training, development of professional associations, financial and business plans for the sustainability of media, improving the credibility of media, and accurate, nonpartisan media monitoring and polling. Donors should help media become credible and sustainable where there are fire walls between raising money and reporting the news, and where the journalists are trained in ethics, polling techniques, circulation, and advertising. Clearly, some of the long-term approaches and policies do not foster the immediate goals. Journalism training, for example, may not contribute to reducing ethnic tensions and peace in the short term but over time is critical to building democratic media.

*OSCE set up a media-experts group to monitor the 1996 and 1997 elections. After a slow start, the group gathered momentum and came close to disbarring Biljana Plavsić (now president of the Republika Srpska) from running in 1996 after she appeared on television to dispute the existence of a unified Bosnia. Two problems undermine the group's authority: political leaders often ignore the group's advice, and it will go out of business when OSCE withdraws.

4

Strengthening Civil Society

CIVIL SOCIETY encompasses the entire range of private nonprofit organizations, professional and social groups, and associations that exist in Bosnia. It is "the public realm between the state and the family" (Harbeson, Rothchild, and Chazan 1996, 56). These groups build on a broad structure of organizations that predate the war: women's organizations, minority groups, political organizations, municipal organizations, self-help organizations. Many of these are alive and active. They created multiethnic groups in Bosnia before the war and have the capacity to unite different groups still, precisely because they have always cut across, rather than reinforce, ethnic divisions. International donors and nongovernmental organizations have encouraged the growth of local NGOs. As a result, a host of new NGOs and groupings have emerged in postwar Bosnia. Many are issues driven (handicapped, mothers of the disappeared) human rights or political groups (such as Serb groups in Croatia).

In many cases, civic organizations are being set up explicitly to build alliances within and across ethnic borders. The Forum for Tuzla Citizens (CTF) was set up in 1993—during the heart of the war—with the express goal of promoting interethnic contact. CTF president Vehid Šehić was the first prominent Muslim to visit Brčko, Banja Luka, and Bijeljina in the Republika Srpska. After five months of groundwork, he established links between the CTF and prestigious international groups and helped the Serbs set up a citizen's committee in Banja Luka. On August 31, 1996, the CTF created an alternative parliament of citizen's groups, to challenge the established power of the nationalist parties. Although they did not fare well in recent elections, they have the potential to become a formidable power base in the country.

Hence, these organizations have enormous potential to bring about cooperation and establish permanent linkages between the ethnic factions. Development of strong civic organizations has proven essential to the reconciliation efforts at the community and cantonal levels. However, there are significant legal and political impediments to the growth of strong NGOs in Bosnia.

Growth of local NGOs has been both encouraged and discouraged by the establishment in Bosnia of 210 international agencies. The financial burdens placed on local NGOs by the federation government are enormous. They are required to pay an additional 65 percent on the salary of each Bosnian employee to cover social benefits and income taxes. This tax burden is so onerous that most do not pay it. Local NGOs are regularly charged at least 30 percent more than normal rates for water and electricity. Interviewees stated that because the government believed these organizations were heavily donor funded, it was attempting to capture some of these "free resources."

Impediments to Local NGOs

What has been the role of international donors in assisting civil society and local NGOs? The team examined the normative questions of the role of assistance in fostering these NGOs and among the numerous roles these organizations play—or, more specifically, the role these organizations have in fostering ethnic cooperation. There is a dichotomy between *ostensible donor support* for the role these organizations have in fostering interethnic cooperation and the *consequences* of that support.

One example of a strategy designed to foster ethnic cooperation that produced impressive numbers of individuals trained in democratic concepts was a project run by the U.S.–based National Democratic Institute for International Affairs (NDI)—a self-help exercise to encourage communities to "identify local priorities." Using a model developed in the West Bank and Gaza, the coordinators of this project selected eight Bosnian coordinators from in and around the multiethnic town of Tuzla. The coordinators were given responsibility for organizing discussion groups in towns in the surrounding cantons. The project reports that 800 Bosnians from all factions are participating in discussions on democracy. While this output is impressive, one of the anticipated results might have been the enhanced participation of these citizens in governance, which would result in mechanisms developed to address the priority needs of the communities. In one such community, Lipnica, the ability of the community to address its needs was not yet evident. The village council was essentially bankrupt, the telephones had been cut off, garbage lay uncollected, and unemployment was high after a local coal mine shut down. Rather than attempt to deal with these critical issues through the problem-solving techniques taught by NDI, townspeople were waiting for a Swedish aid agency or other donors to provide the necessary response.

Ultimately, the question must be asked whether the efforts by international donors and community organizations in Bosnia can overcome partisan political leadership at the community level and the separatist policies of the nationalistic political parties. On a small-scale community level, there are instances where the communities have overcome the ethnic divisions. We saw a successful intervention in the form of a youth center in Gornji Vakuf/Uskoplje, where the United Methodist Committee on Relief and the United Nations Office of Volunteers had started a community center on the boundary of the divided city. In Gornji Vakuf, the political authorities and ethnic tensions have created a situation where children go to parallel schools, adults work in newly separated firms, and families live on the

"appropriate" side of the line. All space is seen as "ours or theirs." The community center was created with the participation of both factions and involved teachers, parents (some of whom are local political leaders), and community leaders. It provides classes in agriculture, community activities, computers, and English. The center has created a politically neutral space where both sides can meet freely and discuss issues. It has not thus far affected freedom of movement across the divide or political reintegration. It is only an early step in reconciliation that provides the citizenry a place, as one UN volunteer put it, "to change the way that they think and act about each other." Ultimately, as community reintegration takes place, the dividing line may become meaningless.

In Tuzla, the women's organization Bosfam was formed to help refugee women earn income and reintegrate back into their communities. Although the emphasis has been income generation, the group has evolved into an advocacy organization. It found that relatives of the disappeared in Tuzla were denied the same benefits given to war widows. It succeeded in changing the law to equalize the benefits. The context of Tuzla was important, because of the city's multiethnic history.

Repatriation of refugees is a prerequisite to Bosnia's and Croatia's survival as unified, integrated states. But civil society and the international community have had difficulty in effecting these returns. In Vukovar, a city in eastern Croatia virtually destroyed by the Serbs, attempts by former Serbian residents to return and obtain even the most basic human and civil rights have been thwarted. USAID/Zagreb supported the establishment of a group of lawyers, the Civil Rights project, to attempt to ensure the reintegration of the returning Serb population. Local authorities have prevented many Serbs who wish to return from gaining citizenship and work permits and returning to their former homes. With the assistance of USAID-sponsored lawyers from the United States, the project has hired two local lawyers who work with such displaced Serbs. As of July 1997, more than 800 Serbs have been denied citizenship on vague grounds, and elderly Serbs are finding it difficult to claim benefits they accumulated in the prewar years.

In summary, we found that there were limited successes in achieving community-level reintegration in divided towns and communities, in attacking single-issue restrictions (such as for the handicapped), in making changes in specific legislation (particularly at the community level), and in creating politically neutral spaces for the two factions and freedom of movement between them. Yet there was strong community-level interest in organizations that contribute to peace building *because they encourage broad cross-ethnic membership based on common interest or need and form around these issues*. However, these organizations so far appear unable to change the reality of divided communities or to break the stranglehold of nationalistic parties' control of politics at the community levels. The question remains whether these will succeed over time in reuniting the still sharply divided communities of Bosnia and Croatia.

5

Lessons Learned

1. Small private business organizations, financial intermediaries, professional associations, and businesses that have an integrated leadership and organizational structure promote interethnic cooperation. "Ethnically blind" business behavior promotes cooperation between factions. Building associations, companies, or linkages that promote trade, commerce, or marketing with other associations—particularly across ethnic geographic boundaries—help break down restrictions on trade and communications. Removing factional leaders from the situational, geographic, and political conditions can also help break down barriers.

2. The economic viability and income potential of enterprises is linked directly to their success in attracting and retaining interethnic members. Having boards made up of various ethnic factions helps ensure that each group's interests will be represented. Production chains that rely on various ethnic minorities create permanent links between ethnic groups, as long as the enterprises are successful.

3. A long-term media strategy that promotes open and credible alternative sources of news must concentrate on building democratic, sustainable media with professional journalists. Permanent communication networks are essential for initiating and maintaining linkages, especially those channels that cannot be controlled by outside political forces.

4. A highly nationalistic, strongly separatist political leadership is one of the greatest obstacles to "reconciliation," at both the community and national levels. The establishment of ethnically based states from the former Yugoslavia and strong nationalistic political leadership has led to political and economic interests that are based in the continued separation. These leaders create barriers through control of policy, regulations, and laws. More important, control by these leaders extends down to cities, towns, and even the village level.

References

Bringa, Tone. 1996. *Being Muslim the Bosnian Way: Identity and Community in a Central Bosnian Village*. Princeton, N.J.: Princeton Paperbacks.

Harbeson, John W.; Donald Rothchild; and Naomi Chazan, eds. 1996. *Civil Society and the State in Africa*. Boulder, Colo.: Lynne Rienner Publishers, Inc.

Hodson, Randy; Duško Sekulić; and Garth Massey. "National Tolerance in the Former Yugoslavia," *American Journal of Sociology* 99, no. 6 (May 1994): 1,534–55.

USAID Fact Sheet. April 9, 1997. *Bosnia Independent Media Program*. Washington.